GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:679
ANSWERED ON:03.12.2004
TAX REFORMS
Tripathy Shri Braja Kishore

Will the Minister of FINANCE be pleased to state:

(a) Whether the Government proposes to start tax reforms from 2005-2006;

(b) if so, whether the Government have made any study in this regard;

(c) if so, the details thereof;

(d) whether such reforms are also part of the commitments made before the World Trade Organisation;

(e) if so, the details of the other commitments the Government has made before the WTO; and

(f) the time by which all WTO commitments will be fulfilled by the Government?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (c): Tax reforms are an ongoing process. During the Budgetary Exercise for 2005-06, the Government shall consult all the interested segments such as industry, trade, administrative ministries, field formations, etc. before finalizing the budget proposals. The recommendations of the Task Force on implementation of Fiscal Responsibility and Budget Management (FRBM) Act, 2003 and also the recommendations contained in the Report of the Advisory Group on Tax Policy and Tax administration for the Tenth Plan will be considered as a part of the budget exercise.

(d) to (f): The commitments of India under the Uruguay Round of Multilateral Trade Negotiations embodied in the Marrakesh Agreement establishing the World Trade Organisation and the Information Technology Agreement, inter alia, cover bindings on imports of agricultural and non agricultural goods and the requirement to provide national treatment to imported goods under the tax regime. Beyond the implementation periods set out in these Agreements, there are no new commitments relating to the tax regime for India starting from 2005-06.